

**EXECUTIVE SECRETARIAT**  
ROUTING SLIP

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR		X		
4	D/ICS				
5	DDI				
6	DDA		X		
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt		X		
13	D/Pers				
14	D/OLL				
15	D/PAO				
16	SA/IA				
17	AO/DCI				
18	C/IPD/OIS				
19	D/Finance	X			
20					
21					
22					

SUSPENSE \_\_\_\_\_ Date \_\_\_\_\_

Remarks #19: Exec Registry has no record of the 16 Aug 84, Memo.

Executive Secretary  
14 Nov 84

Date

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Rec ER 14 Nov 84

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

M-85-7

November 7, 1984

Excl.

84- 9917

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

FROM: JOSEPH R. WRIGHT, JR.  
DEPUTY DIRECTOR

SUBJECT: Duplicate Payments to Vendors

This is a followup to our letter of August 16, 1984, to certain departments and agencies concerning voluntary refunds made by a vendor for duplicate payments. These refunds were made in July to 21 different paying activities in 13 departments and agencies. Our letter asked each agency to find out the causes of specific overpayments, determine how widespread the problem was, and provide a plan for corrective action.

Agency responses have not been satisfactory. Most agencies reported that the duplicate payments were isolated instances and made a variety of excuses for their occurrence. Few provided evidence that an adequate review had been undertaken to support their conclusions. Further, the responses disclosed a pattern of system shortcomings, human error, and recurring, unjustified decisions to override the very internal controls that could have prevented the problems.

In view of the disappointing responses, we believe a much more complete examination of agency payment systems is in order. Accordingly, in carrying out your responsibilities for evaluation and improvement of internal control systems under the Federal Managers Financial Integrity Act and in accordance with OMB Circular A-123, each agency shall undertake specific internal control reviews of its payment systems during this fiscal year and include the results in its report to the President and the Congress. The objectives of this review will be to determine whether the payment systems:

- ° prevent duplicate payments,
- ° assure that the payment policies described in Circular A-125 are being observed,
- ° assure expedited payment procedures like "fast pay" are used only in appropriate circumstances, and
- ° provide for prompt follow-up and recovery of all overpayments.

Our Financial Integrity Task Force will follow up with your staff on the details of your plans for the internal control reviews.



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